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INFO RUEHBJ/AMEMBASSY BEIJING IMMEDIATE 7209
RUEHBY/AMEMBASSY CANBERRA IMMEDIATE 2155
RUEHUL/AMEMBASSY SEOUL IMMEDIATE 3268
RUEHFK/AMCONSUL FUKUOKA IMMEDIATE 1299
RUEHNN/AMCONSUL NAHA IMMEDIATE 3729
RUEHOK/AMCONSUL OSAKA KOBE IMMEDIATE 4861
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RUALSFJ/COMUSJAPAN YOKOTA AB JA IMMEDIATE
RHMFISS/DISA WASHINGTON DC IMMEDIATE
RHHMUNA/HQ USPACOM HONOLULU HI IMMEDIATE
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C O N F I D E N T I A L SECTION 01 OF 02 TOKYO 002397

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SUBJECT: MATSUOKA SUICIDE SHAKES ABE ADMINISTRATION

Classified By: AMBASSADOR J. THOMAS SCHIEFFER, REASONS 1.4(B),(D).

11. (C) The suicide of scandal-tainted Minister of Agriculture, Forestry, and Fisheries (MAFF) Toshikatsu Matsuoka in his Diet apartment on May 28 has dealt a blow to Prime Minister Abe. While negative sentiments toward Matsuoka himself may quickly fade, Abe's responsibility for failing to dismiss his embattled minister will probably continue to haunt the LDP in the run-up to critical July Upper House elections, according to Embassy contacts. Those same contacts tell the Embassy that even the most anti-Abe LDP Diet members will not publicly criticize Abe until after the immediate public outcry begins to fade, although calls for a cabinet reshuffle in advance of the elections are likely to increase. The opposition parties, meanwhile, are already seizing on the suicide to fault Abe for a lack of accountability and leadership. "Politics and money" scandals have become a focus of media attention in recent months, and the allegations against Matsuoka are at the heart of the debate over revising Japan's Political Funds Control Law.

12. (C) Embassy contacts, including several within the LDP, were quick to criticize Abe for appointing Matsuoka to his cabinet in September 2006, citing a long history of scandal allegations, and Matsuoka has been a favorite target of the media for the past eight months. In one of the most notorious examples of alleged wrong-doing, Matsuoka's political fund management organization is said to have set up shop in his rent-free Diet office, and then claimed large sums of money for nonexistent office expenses. Matsuoka consistently pleaded innocent of any wrong-doing, but was unable to offer satisfactory explanations. Abe, meanwhile, consistently defended Matsuoka's appointment, citing his long experience as a member of the LDP's agriculture "tribe." More recently, Matsuoka was alleged to have received "donations" from Japan Green Resources, an agency under the jurisdiction of MAFF, and the subject of a criminal bid-rigging investigation. Matsuoka was scheduled to defend himself against these allegations before the Audit Committee of the Lower House on the day of his death. Police sources told the press that Matsuoka left as many as eight suicide notes at the scene, including one addressed to Abe, but their

contents have not been disclosed. Matsuoka's death marks the first suicide by an incumbent Cabinet minister since the end of World War Two, although it is reportedly the seventh for a sitting Diet member. Abe has appointed Environment Minister Masatoshi Wakabayashi to be the acting MAFF Minister, pending the return of the Emperor from an overseas trip on May 30.

13. (C) Matsuoka's death is just the latest blow to the Abe Administration, which is already taking heat over poor record-keeping by the Social Insurance Agency (SIA) that resulted in a loss of pension benefits for people who paid into the system because approximately 50 million payment records were not properly credited. Opinion polls taken by two major news dailies shortly before Matsuoka's death register a ten point decline in Abe's support rate, with significantly more respondents hoping for a win by the opposition Democratic Party of Japan over the LDP in July. While the most recent scandal allegations surrounding Matsuoka almost certainly influenced this sudden drop, the pension issue played a much greater role. Prime Minister Abe forced a controversial bill to reform the SIA through the Lower House on May 25, shortly after announcing a plan to check records more thoroughly, but the opposition parties plan to introduce a no-confidence motion against Health, Labor, and Welfare Minister Hakuo Yanagisawa to force further debate.

14. (C) Matsuoka was involved in two areas that intersect with U.S. interests: the WTO Doha Round and the beef import issue. On the Doha Round, he was widely considered to have a strong grasp of trade policy, and was a leader of the so-called Group of 10 food importing countries. He frequently met with his counterparts representing the other

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important agricultural players, and was considered pragmatic in that he understood current levels of protection might not be sustainable. On beef, there is little doubt that he played an overall positive role in working to lift Japan's onerous import restrictions, even prior to being named minister, through his influence over the LDP's agriculture caucus. His close ties to the food service trade association, whose members were most affected by the absence of U.S. beef in the market, were a major factor. Matsuoka was seen as a leader in moving Japanese agriculture toward further structural reform, an imperative if the sector is going to be competitive enough to withstand additional market opening. His death is unlikely to lead to any immediate changes in Japan's agricultural policies.

SCHIEFFER